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House of Representatives

The House met at 9:30 a.m. and was called to order by the Speaker pro tempore (Ms. EDWARDS of Maryland).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
June 29, 2010.

I hereby appoint the Honorable DONNA F. EDWARDS to act as Speaker pro tempore on this day.

NANCY PELOSI,
Speaker of the House of Representatives.

MORNING-HOUR DEBATE

The SPEAKER pro tempore. Pursuant to the order of the House of January 6, 2009, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning-hour debate.

The Chair will alternate recognition between the parties, with each party limited to 25 minutes and each Member, other than the majority and minority leaders and the minority whip, limited to 5 minutes, but in no event shall debate continue beyond 10:20 a.m.

WALL STREET REFORM

The SPEAKER pro tempore. The Chair recognizes the gentleman from Virginia (Mr. CONNOLLY) for 5 minutes.

Mr. CONNOLLY of Virginia. Madam Speaker, it would be unconscionable for this Congress to fail to enact legislative protections for the Nation's consumers after the worst economic collapse in 80 years. We must pass Wall Street reform when it comes before the House hopefully later this week.

We know what happened without adequate oversight. Under the Bush administration and previous Republican Congresses, the large financial institu-

tions were granted free rein to undertake abusive, risky behavior, ultimately at great public expense. In the absence of well-enforced regulation, their reckless actions triggered the great recession, plunging millions of American families into economic chaos.

Starting in 2007 when the mortgage and credit crises hit, the recession accelerated in 2008 as the financial sector came perilously close to a complete collapse. Millions of Americans acutely felt that collapse through lost jobs, foreclosed homes, and the destruction of their personal savings. Collectively, Americans lost \$17.5 trillion worth of aggregate household wealth during that recession: college funds, retirement accounts, 401(k)s, and emergency nest eggs like that.

In the midst of this economic carnage, many of the financial institutions that precipitated the collapse had the chutzpah to turn to those same American families and ask for a bailout. For example, AIG received \$170 billion through 2008's TARP bill and the Federal Reserve, despite having engaged in a number of risky actions that led to its own predicament. AIG's unbridled pursuit of profit became America's pain. We must not allow that to happen again.

I support the visionary Wall Street reform that protects consumers from the abuses and deceptive practices that led to this crisis. It will create a consumer financial protection bureau that will consolidate consumer protections currently spread out inefficiently and ineffectively over seven different Federal agencies. The bureau will ensure transparency in financial products and transactions, providing consumers with greater information and protections on mortgages, credit cards, and other financial products.

Unscrupulous mortgage lenders no longer will be able to hoodwink prospective home buyers into home loans

that the home buyer cannot afford. Not only did that practice lead to individual homeowners suffering eventual foreclosures, but it drove down the equity in all homes as prices sunk and mortgage failures exacerbated the financial collapse.

I support Wall Street financial reform that properly regulates the risky aspects of the financial sector, finally bringing transparency to the shadowy world of derivatives. In 2006, the derivative markets bought and sold, and often repackaged, was worth \$668 trillion, that's with a T, an astonishingly high amount, and yet all traded virtually without oversight or regulation. The financial institutions that traded these derivatives did so in secret, and when the underlying assets failed, such as mortgage-backed securities, the financial sector was unprepared for the repercussions, and American families paid the price.

I support Wall Street reform that provides an orderly liquidation for financial institutions that fail at the institution's expense, not the taxpayers. That means never again will big banks receive taxpayer-funded bailouts. In the event of failure, large financial institutions must be prepared for an orderly wind down that does not cause additional strain to the overall economy and does not require taxpayer assistance. This reform ensures that the firms prepare liquidation plans ahead of time in case they are ever needed, and most importantly, Wall Street reform clearly states that taxpayers will never again have to fund a failing firm's bailout or liquidation costs.

Madam Speaker, the Wall Street reform before us accomplishes the goals of protecting consumers, providing transparency to previously unregulated markets, and ending too-big-to-fail taxpayer-funded bailouts. It finally provides the financial protections for consumers and homeowners that have been lacking for far too long. Wall

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.



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